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7 Attorneys for Complainant

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9 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
10 OF THE STATE OF CALIFORNIA

11 In the Matter of: ) CFL LICENSE NO.: 60DBO-99060  
12 THE COMMISSIONER OF BUSINESS )  
OVERSIGHT, ) CONSENT ORDER  
13 )  
14 Complainant, )  
15 v. )  
16 THRIVE FINANCIAL INC., )  
17 Respondent. )  
18 \_\_\_\_\_)

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21 This Consent Order is entered into between the Commissioner of Business Oversight  
22 (Commissioner) and Thrive Financial Inc. (Thrive) and is made with respect to the following facts:

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I.

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**RECITALS**

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A. The Commissioner has jurisdiction over the licensing and regulation of persons and  
26 entities engaged in the business of making consumer and commercial loans pursuant to the  
27 California Financing Law (CFL) (Fin. Code, § 22000 et seq.).

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1 B. Thrive is a finance lender that was licensed by the Commissioner from September 27,  
2 2019, to December 29, 2019 (CFL License No. 60DBO-99060). Thrive’s main office is located at  
3 276 Shipley Street, San Francisco, CA 94107.

4 C. Thrive operates no branch locations in California.

5 D. Deepak Rao is the CEO of Thrive and, as such, is authorized to enter into this Consent  
6 Order on Thrive’s behalf.

7 E. In accordance with Financial Code section 22107, each finance lender, broker, or  
8 program administrator licensee shall pay to the Commissioner its pro rata share of all costs and  
9 expenses, including the costs and expenses associated with the licensing of mortgage loan originators  
10 it employs, reasonably incurred in the administration of this division, as estimated by the  
11 Commissioner, for the ensuing year and any deficit actually incurred or anticipated in the  
12 administration of the program in the year in which the assessment is made. CFL licensees must pay  
13 the annual assessment on or before the 31st day of October each year.

14 F. Pursuant to Financial Code section 22153, subdivision (a), a licensee is required to  
15 submit a change of address form to the Commissioner for approval at least ten days before an address  
16 change.

17 G. On September 30, 2019, the Commissioner sent Thrive an Assessment Notice per  
18 invoice number CF3578. The notice was mailed to the address Thrive registered with the Department  
19 upon licensure: 2526 West Middlefield Road, Mountain View, CA 94043 (Registered Address). The  
20 notice stated that the annual assessment would become delinquent if not paid by October 31, 2019.

21 H. As of October 31, 2019, Thrive had not paid its annual assessment. The failure to pay  
22 the annual assessment on or before October 31, 2019 is a violation of Financial Code section 22107.

23 I. As of November 6, 2019, Thrive still had not paid its annual assessment. As a result,  
24 on November 6, 2019, the Commissioner sent to the Registered Address a Notice of Unpaid  
25 Assessment. This notice warned that failure to pay the assessment would result in summary  
26 revocation of Thrive’s license. Thrive did not respond to the Commissioner’s notice.

27 J. As of December 6, 2019, Thrive still had not paid its annual assessment. As a result,  
28 on December 6, 2019, the Commissioner issued an Order Summarily Revoking California Financing

1 Law License Pursuant to Financial Code Section 22107 for CFL License Number 60DBO-99060  
2 (Revocation Order). The Department mailed the Revocation Order to the Registered Address along  
3 with notice that the Revocation Order would become effective December 30, 2019 unless payment of  
4 the annual assessment was received by close of business on December 27, 2019.

5 K. As of December 27, 2019, the assessment remained unpaid. Accordingly, the  
6 Revocation Order became effective December 30, 2019.

7 L. Thrive concedes that it did not receive the September 2019 notice, the November 2019  
8 notice, or the Revocation Order because it failed to properly notify the Commissioner that it had changed  
9 its place of business to an address other than that designated on its license, as required by Financial Code  
10 section 22153, subdivision (a).

11 M. In connection with these proceedings, Thrive represented to the Commissioner that it had  
12 conducted lending activity in California after its license had been revoked. As such, the Commissioner  
13 finds that Thrive engaged in the business of a finance lender in violation of Financial Code  
14 section 22100.

15 N. Thrive admits to the jurisdiction of the Commissioner and it is the intention of the parties  
16 to resolve this matter without the necessity of a hearing and/or other litigation.

17 O. The Commissioner finds that entering into this Consent Order is in the public interest and  
18 consistent with the purposes fairly intended by the CFL.

19 NOW, THEREFORE, for good and valuable consideration, and the terms and conditions set  
20 forth herein, the Parties agree as follows:

21 **II.**

22 **TERMS AND CONDITIONS**

23 1. Purpose. This Consent Order resolves the issues before the Commissioner described  
24 above in a manner that avoids the expense of a hearing and other possible court proceedings,  
25 protects consumers, is in the public interest, and is consistent with the purposes, policies, and  
26 provisions of the CFL.

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1           2.       Desist and Refrain Order(s). Pursuant to Financial Code section 22712, Thrive is  
2 hereby ordered to desist and refrain from violating any provision of the CFL or regulation  
3 thereunder, including Financial Code sections 22107, 22153, and 22100 as set forth above.

4           3.       Order Rescinding Revocation Order(s). The Commissioner hereby rescinds the  
5 Revocation Order, which was issued on December 6, 2019, and became effective on December 30,  
6 2019.

7           4.       Order to Pay Annual Assessment. Pursuant to Financial Code section 22107, the  
8 Commissioner hereby orders Thrive to pay \$250.00 to the Department of Business Oversight for the  
9 2019 – 2020 annual assessment. The annual assessment shall be paid to the Commissioner within  
10 30 days of the Effective Date of this Consent Order as defined in paragraph 23. The annual  
11 assessment payment shall be labeled “2019 – 2020 annual assessment” and must be made payable in  
12 the form of a cashier’s check or Automated Clearing House deposit to the Department of Business  
13 Oversight and transmitted to the attention of Accounting – Litigation, at the Department of Business  
14 Oversight, 1515 K Street, Suite 200, Sacramento, California 95814. Notice of the payment of the  
15 annual assessment must be concurrently sent to Taylor Steinbacher, Counsel, Department of  
16 Business Oversight, 320 West 4th Street, Suite 750, Los Angeles, California 90013-2344.

17           5.       Administrative Fines and Penalties. Thrive shall pay administrative fines and  
18 penalties in the amount of \$7,000.00 for the violations of the CFL enumerated herein. Thrive shall  
19 pay the fines and penalties to the Commissioner within 30 days of the Effective Date of this Consent  
20 Order as defined in paragraph 23. Payment of the fines and penalties shall be labeled “fines and  
21 penalties” and must be made payable in the form of a cashier’s check or Automated Clearing House  
22 deposit to the Department of Business Oversight and transmitted to the attention of Accounting –  
23 Litigation, at the Department of Business Oversight, 1515 K Street, Suite 200, Sacramento,  
24 California 95814. Notice of the payment of the fines and penalties must be concurrently sent to  
25 Taylor Steinbacher, Counsel, Department of Business Oversight, 320 West 4th Street, Suite 750,  
26 Los Angeles, California 90013-2344.

27           6.       Waiver of Hearing Rights. Thrive acknowledges that the Commissioner is ready,  
28 willing, and able to proceed with the filing of an administrative enforcement action on the charges

1 contained in this Consent Order. Thrive hereby waives the right to any hearings, and to any  
2 reconsideration, appeal, or other right to review which may be afforded pursuant to the CFL, the  
3 California Administrative Procedure Act, the California Code of Civil Procedure, or any other  
4 provision of law. Thrive further expressly waives any requirement for the filing of an Accusation  
5 pursuant to Government Code section 11415.60, subdivision (b). By waiving such rights, Thrive  
6 effectively consents to this Consent Order, the Desist and Refrain Order(s), and the Order  
7 Rescinding Revocation Order(s) becoming final.

8       7.     Failure to Comply with Consent Order. Thrive agrees that if it fails to comply with  
9 the terms of this Consent Order, the Commissioner may, in addition to all other available remedies it  
10 may invoke under the CFL, summarily suspend or revoke Thrive’s CFL license until Thrive is in  
11 compliance. Thrive waives any notice and hearing rights to contest such summary suspension or  
12 revocation which may be afforded under the CFL, the California Administrative Procedure Act, the  
13 California Code of Civil Procedure, or any other provision of law in connection therewith.

14       8.     Information Willfully Withheld or Misrepresented. This Consent Order may be  
15 revoked and the Commissioner may pursue any and all remedies available under law against Thrive  
16 if the Commissioner discovers that Thrive knowingly or willfully withheld or misrepresented  
17 information used for and relied upon in this Consent Order.

18       9.     Future Actions by the Commissioner. If Thrive fails to comply with any terms of the  
19 Consent Order, the Commissioner may institute proceedings for any and all violations otherwise  
20 resolved under this Consent Order. The Commissioner reserves the right to bring any future actions  
21 against Thrive, or any of its partners, owners, officers, shareholders, directors, employees or  
22 successors for any and all unknown violations of the CFL.

23       10.    Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner’s  
24 ability to assist any other government agency (city, county, state, or federal) with any prosecution,  
25 administrative, civil or criminal brought by that agency against Thrive or any other person based  
26 upon any of the activities alleged in this matter or otherwise.

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1           11.    Headings. The headings to the paragraphs of this Consent Order are inserted for  
2 convenience only and will not be deemed a part hereof or affect the construction or interpretation of  
3 the provisions hereof.

4           12.    Binding. This Consent Order is binding on all heirs, assigns, and/or successors in  
5 interest.

6           13.    Reliance. Each of the parties represents, warrants, and agrees that in executing this  
7 Agreement it has relied solely on the statements set forth herein and the advice of its own counsel.  
8 Each of the parties further represents, warrants, and agrees that in executing this Agreement it has  
9 placed no reliance on any statement, representation, or promise of any other party, or any other  
10 person or entity not expressly set forth herein, or upon the failure of any party or any other person or  
11 entity to make any statement, representation or disclosure of anything whatsoever. The parties have  
12 included this clause: (1) to preclude any claim that any party was in any way fraudulently induced to  
13 execute this Agreement; and (2) to preclude the introduction of parol evidence to vary, interpret,  
14 supplement, or contradict the terms of this Agreement.

15           14.    Waiver, Amendments, and Modifications. No waiver, amendment, or modification of  
16 this Consent Order will be valid or binding unless it is in writing and signed by each of the parties.  
17 The waiver of any provision of this Consent Order will not be deemed a waiver of any other  
18 provision. No waiver by either party of any breach of, or of compliance with, any condition or  
19 provision of this Consent Order by the other party will be considered a waiver of any other condition  
20 or provision or of the same condition or provision at another time.

21           15.    Full Integration. This Consent Order is the final written expression and the complete  
22 and exclusive statement of all the agreements, conditions, promises, representations, and covenant  
23 between the parties with respect to the subject matter hereof, and supersedes all prior or  
24 contemporaneous agreements, negotiations, representations, understandings, and discussions  
25 between and among the parties, their respective representatives, and any other person or entity, with  
26 respect to the subject matter covered hereby.

27           16.    Governing Law. This Consent Order will be governed by and construed in  
28 accordance with California law. Each of the parties hereto consents to the jurisdiction of such court,

1 and hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient  
2 forum to the maintenance of such action or proceeding in such court.

3 17. Counterparts. This Consent Order may be executed in one or more separate  
4 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall  
5 together constitute a single document.

6 18. Effect Upon Future Proceedings. If Thrive applies for any license, permit, or  
7 qualification under the Commissioner's current or future jurisdiction, or is the subject of any future  
8 action by the Commissioner to enforce this Consent Order, then the subject matter hereof shall be  
9 admitted for the purpose of such application(s) or enforcement proceedings(s).

10 19. Voluntary Agreement. Thrive enters this Consent Order voluntarily and without  
11 coercion and acknowledges that no promises, threats or assurances have been made by the  
12 Commissioner or any officer, or agent thereof, about this Consent Order. The parties each represent  
13 and acknowledge that he, she or it is executing this Consent Order completely voluntarily and  
14 without any duress or undue influence of any kind from any source.

15 20. Notice. Any notice required under this Consent Order be provided to each party at  
16 the following addresses:

17 To Respondent Thrive: Thrive Financial Inc.  
18 c/o Deepak Rao, CEO  
19 276 Shipley St.  
20 San Francisco, CA 94107  
drao@thrivenow.com

21 Molly Swartz, Esq.  
22 Paul Hastings LLP  
23 101 California Street, Forty-Eighth Floor  
San Francisco, CA 94111  
mollyswartz@paulhastings.com

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To the Commissioner: Taylor Steinbacher, Counsel  
Department of Business Oversight  
320 West 4th Street, Suite 750  
Los Angeles, California 90013-2344  
Taylor.Steinbacher@dbo.ca.gov

21. Signatures. A fax or electronic mail signature shall be deemed the same as an original signature.

22. Public Record. Thrive hereby acknowledges that this Consent Order is and will be a matter of public record.

23. Effective Date. This Consent Order shall become final and effective when signed by all parties and delivered by the Commissioner’s agent via email to Thrive’s representative, at mollyswartz@paulhastings.com.

24. Authority to Sign. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Consent Order and undertake the obligations set forth herein.

Dated: August 19, 2020

MANUEL P. ALVAREZ  
Commissioner of Business Oversight

By \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner  
Enforcement Division

Dated: August 19, 2020

THRIVE FINANCIAL INC.

By \_\_\_\_\_  
DEEPAK RAO  
CEO